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Folder ID Number: 25840-009

Folder Title:
Bush - Personal File: Investments [1950-1954]

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

— OF —

LISBON URANIUM CORPORATION

SALT LAKE CITY, UTAH

MAY 7, 1954

Notice is hereby given that a special meeting of the stockholders of Lisbon Uranium Corporation has been duly called by the Board of Directors to be held at the President's Room, Hotel Utah, Salt City, Utah, on Tuesday, the 1st day of June, 1954, at 2:00 o'clock P. M., for the purpose of having the stockholders consider and take action upon the following described matters of business:

(a) To amend Article VIII of the Articles of Incorporation to increase the limit of the stock of this corporation to five million shares of a par value of fifteen cents (15¢) per share, or a total authorized capital of $750,000.00; and

(b) To amend Article X of the Articles of Incorporation so as to increase the Board of Directors from seven to twelve members; and

(c) To consider for ratification and approval a certain Agreement, dated April 20, 1954, or as amended, between Lisbon Uranium Corporation and Floyd B. Odlum; included in this notice is a "Summary and Explanation" of said Agreement, dated April 20, 1954; and

(d) To consider the above transactions and any and all other business which may properly come before said meeting, including but not restricted to business pertaining to or necessary in connection with items (a), (b) and (c) above, and to empower the Board of Directors to act with respect thereto.

The Board of Directors has fixed the 7th day of May, 1954, as the record date for the determination of the shareholders entitled to notice of this meeting, and the 26th day of May, 1954, as the record date for the determination of shareholders entitled to vote at said meeting.

If you cannot attend the meeting, please sign the enclosed proxy, have your signature witnessed and return the executed proxy in the enclosed stamped envelope.

Your Board of Directors desires to emphasize most strongly the importance of the June 1st meeting for the future success and growth of Lisbon Uranium Corporation, and for these reasons desires to impress you with the necessity of personal attendance at the meeting or the submission by you of the enclosed proxy.

LISBON URANIUM CORPORATION

MAX B. LEWIS, *Secretary*

SUMMARY AND EXPLANATION

On the 20th day of April, 1954, the Board of Directors of Lisbon Uranium Corporation entered into an Agreement with Mr. Floyd B. Odlum of New York City, New York, acting on behalf of the Wasatch Corporation (a wholly owned subsidiary of the Atlas Corporation), Airfleets, Inc., and the San Diego Corporation, the latter two corporations being affiliates of the Atlas Corporation. In this Summary and Explanation, Mr. Odlum and those companies he represents in this transaction will be designated as the "Odlum Group."

Herein is a map showing two groups of mining properties located in the Big Indian Mining District, San Juan County, State of Utah, and identified as Group 1 and Group 2. Group 1 represents those properties which were acquired by Lisbon several months ago from Mr. Charles A. Steen of Moab, Utah, and his associates, and are still held by it.

During the past few months, the Odlum Group has acquired ownership or the option to purchase the properties identified as Group 2. Some of the Group 2 properties have been purchased outright by the Odlum Group and the remainder of such properties are held under option by it. The Agreement, dated April 20, 1954, provides that the Odlum Group will transfer and assign to Lisbon Uranium Corporation, those interests in and option rights to the properties identified as Group 2 on the map.

The Odlum Group has paid or will pay $250,000.00 for Group 2 properties acquired by it. As to Group 2 properties under option, the Odlum Group, if the options are exercised, will have to pay $500,000.00, plus a 12½% ore reservation to the extent of $3,500,000.00. In addition, the Odlum Group, if said options are exercised, will spend approximately $180,000.00 for exploratory drilling and development relating to all of the properties covered by Group 2. The Agreement dated April 20, 1954, provides that in addition to the conveyances, assignments and transfers of properties and options relating to Group 2 properties, the Odlum Group will contribute to Lisbon Uranium Corporation sufficient cash moneys to exercise options on property included in Group 2, and to consummate exploration and development.

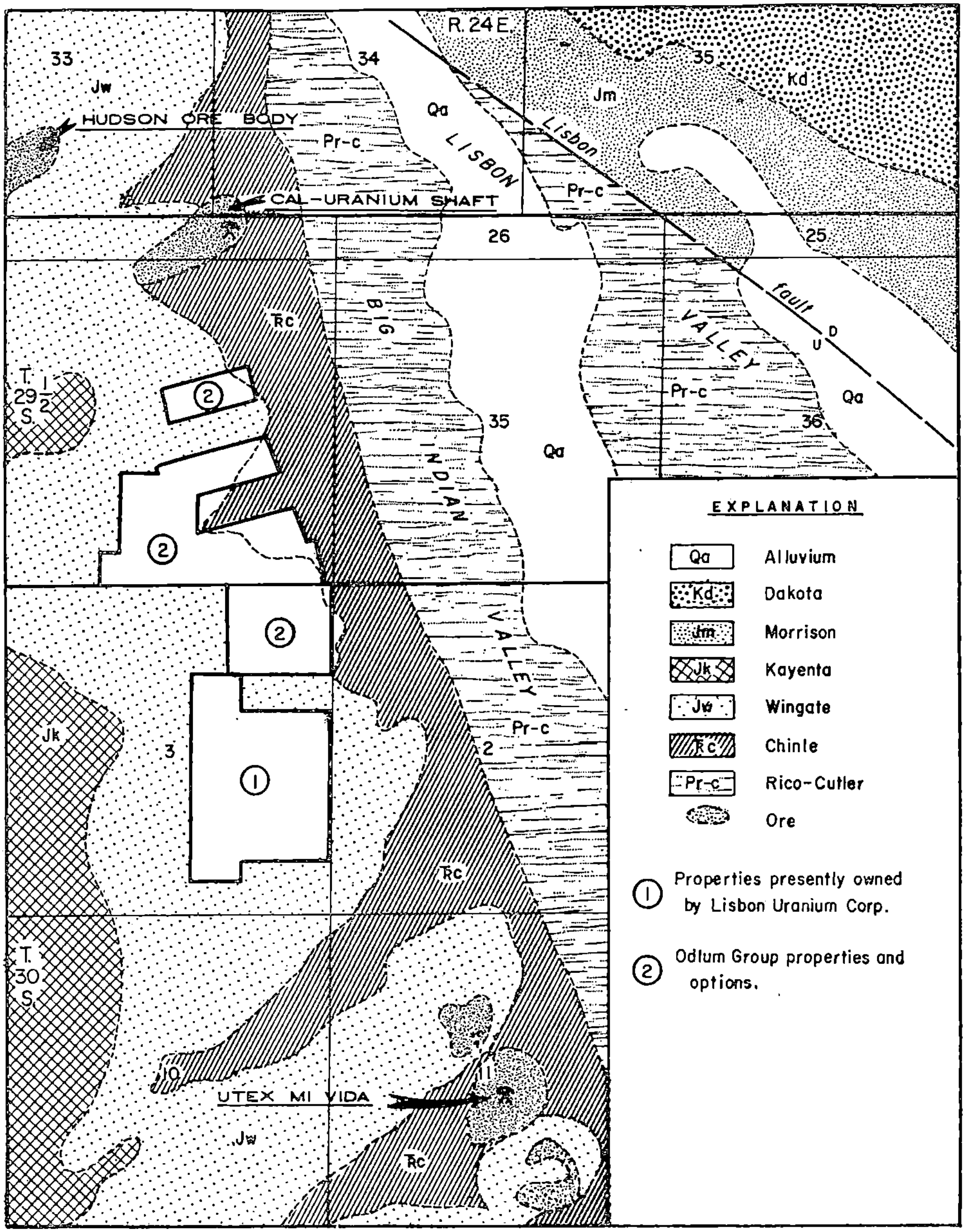
For the total transfers and contributions as above outlined, the Odlum Group will receive from Lisbon Uranium Corporation 2,800,000 shares of its capital stock. Further, Lisbon Uranium Corporation shall have the option to have the Odlum Group, itself, exercise all options to purchase Group 2 properties, transferring to Lisbon Uranium Corporation only property, plus sufficient cash, to discharge exploratory and development obligations relating thereto.

If the stockholders approve the Agreement with the Odlum Group it will be necessary to issue to the Odlum Group 2,800,000 shares of the capital stock of Lisbon Uranium Corporation. Since Lisbon's presently authorized capital is only 2,000,000 shares, your Board of Directors recommends that the Articles of Incorporation be amended to increase the authorized capital to 5,000,000 shares, thereby providing sufficient shares to perform the Agreement dated April 20, 1954, fulfill all option requirements and still have some balance of authorized, but unissued stock. In addition, the Agreement dated April 20, 1954, provides that the Board of Directors of Lisbon Uranium Corporation will call a meeting of the stockholders to consider amending the Articles of Incorporation to increase the Board of Directors from 7 to 12 persons.

If the Odlum Group elects to exercise the option upon terms different than summarized above, Lisbon's stockholders will be so advised at the June 1st meeting.

Respectfully,

BOARD OF DIRECTORS
LISBON URANIUM CORPORATION



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1 Properties presently owned by Lisbon Uranium Corp.
2 Odlum Group properties and options.
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HYDROCARBON PRODUCTION COMPANY, INC.

ANNUAL REPORT

1 9 5 3

New York, N. Y.
May 11, 1954.

To the Share-Owners:

The last Annual Report of Hydrocarbon Production Company, Inc. indicated that the Cash Availabilities in the year 1953 would be insufficient to take care of the obligations for that year if the capital expenditure program I intended to recommend to the Board of Directors were approved. Since the Board did not approve the recommendation, your Company actually closed the year 1953 with a balance of working funds amounting to $261,522.

Continuing with the pattern set in the 1952 Annual Report, there are included in this Report for the year 1953, as Exhibit I, a Working capital Forecast and, as Exhibit II, Allocation of Estimated Available Funds for the year 1954. No large exploratory program is contemplated for 1954. There is therefore little likelihood that the Company will have to seek working funds in the current year in excess of those it can generate itself. The only probability of such a need would arise if a successful producer should eventuate from the exploratory undertaking into deep horizons now under way off the west side of the Company's block.

The score of 13 commercially producing wells with which the Company started the year 1953 changed by year-end to a net of 12. One new producer was added by the Company, - the #14 Crain & Griffith, - but 2 previously existing wells, namely #1 Schwarz and #1 Johnson, were abandoned on account of water encroachment in the "D" sand. The abandoned wells were located well on the flank of the structure underlying our acreage; the water encroachment had, therefore, not been unexpected. The new producer, however, was an encouraging surprise. It was developed in the heretofore untested "R" sand, and promises to be one of our better producers. Furthermore, the distillate content of the gas is high. The known existence of this sand in Crain & Griffith #1 and #11 wells encourages expectation of substantial recovery from it.

#5 Crain & Griffith, which had formerly produced from the "D" sand, was re-completed as a producer in the "A" sand. This is in keeping with a program of diversifying our production as respects producing sands. The reasons for such a program, and its possibilities, are best demonstrated by reference to the chart included herein, Exhibit III, showing the "Productive and Possibly Productive Sands - Lacy Field".

Total gas production during the year amounted to 8.3 Billion CF along with 146,000 Barrels of distillate for a daily average, respectively, of 22.8 million cubic feet of gas and 402 barrels of distillate. This compared with 1952 production of 9.4 billion cubic feet of gas, 203,000 barrels of distillate, an average by the day of 25.6 million cubic feet and 556 barrels distillate.

Our reserves from the "D" sand are gradually declining, a development to be expected since this has been our biggest producer. In anticipation of the lessening reserves in this sand, a planned program of diversification or substitution (of "other" sand production for "D" production) has been going on for better than two years. What this has meant is best illustrated by the following figures:

The "D" sand in the year 1952 made up 69% of our total production. This was reduced to 45% in 1953 and in these early months of 1954 to 33%. Conversely, of course, gas from the "A", "B", "C", "E" and "R" has been produced at accelerated rates to make up the deficit.

Since the reservoir pressures of the "B" and "C" sands have been declining to a point where they could not deliver gas into the lines of Transcontinental Gas Pipe Line Company, a 150 Horsepower Package Compressor Unit was installed in 1953. Present indications are that one, or even two, additional compressor installations will be necessary in 1954 to continue present rate of production, not only from the "B" and "C" sands but also from the "D" and "E" sands. The type of compressor unit being installed is portable, the flexibility of which type is deemed more practical in such a multiple sand area as our acreage covers than a more elaborate central installation.

In view of its limited availabilities of free cash, the Company did hardly any more leasing during the year than was necessary to cover reservoir extension indicated by the completion of its #14 "C" and "G". It stepped out from its own immediate block in 1953 only to the extent of acquiring the 584-acre Stuart tract six miles south of the Lacy Field. This was done when it became evident that an independent operator intended to do some wild-cat venturing. The independent, Jack Hamon of Dallas, subsequently drilled two dry holes in the area, one of them being a quarter-mile from an operation of the Company's newly acquired lease.

Payments to the banks, both the regular monthly principal payments and the 75% of Net Available Funds, during the year were $550,900.82. Interest paid during this period was $113,016.82. Total payments to the banks of every kind, therefore, were $663,916.84.

Issuance of $1,000,000 worth of bonds by Valley Acres Water District was approved by the Texas Attorney General's Office on November 23, 1953. The servicing of these bonds will add to your Company's operating expenses inasmuch as a large portion of the valuation of the Water District will be against property of the Company.

It is not considered necessary to do any additional development in the present producing sands during the year 1954. A re-completion will be attempted in the #11 Crain & Griffith in the "K", "A" or "R" sand. It is expected that the presently producing "B" sand will be depleted in this area during 1954.

Sincerely yours,

C. E. Kayser

President

EXHIBIT I

HYDROCARBON PRODUCTION COMPANY, INC.
Working Capital Forecast
For Year 1954

Original capital raised by Company as follows:

Item A - (1)	Preferred stock money	$ 1,200,000
(2)	Common stock money	20,000
(3)	Mortgage funds	3,100,000
	A total of	$ 4,320,000

Item A - (4)	So that Company started with cash		$4,320,000
(5)	Up to 12/31/53 it collected income from all sources amounting to		2,753,347
(6)	Making total working capital available to Company to 12/31/53		7,073,347
(7)	Up to that date it expended working capital		
	(a) For leaseholds and equipment	$3,600,000	
	(b) Operating expenses, interest and taxes	1,057,811	
	(c) Capital expenditures	1,045,150	
	(d) Repayments	1,108,864	
	A total of		6,811,825
	Leaving working capital at 12/31/53		261,522
Item B -	Add expected 1954 income from sales		907,955
Item C -	Which will make available for expenditures in 1954 a total of		1,169,477
Item D -	The first call on which will be as follows:		
	(1) Interest on notes	$ 81,000	
	(2) Principal payment on notes	309,000	
	(3) 75% available funds	241,000	
	(4) Federal Income Taxes - estimated	19,000	
	Total first call expenditures		650,000
Item E -	Leaving for operating expenses, working capital cushions and capital expenditures in 1954		$ 519,477

EXHIBIT II

HYDROCARBON PRODUCTION COMPANY, INC.

Allocation of Estimated Available Working Capital Funds in 1954

Estimated 1954 working capital		$519,477	
Deduct			
Estimated operating expenses	$182,343		
Cash working funds	154,000		
Supply inventories	50,000	386,343	(1)
Leaving for capital expenditures		133,134	
Recommended capital expenditure program		122,327	(2)
Unused remainder of estimated available funds		$10,807	(3)

EXHIBIT III

Hydrocarbon Production Company, Inc.
Productive & Possibly Productive Sands - Lacy Field
Data as of January 1, 1954

Operator	Well	Lease	K	A	B	C	D	E	M	R	T	Z	Present Producers
HPC, Inc.	(a) 1	Crain & Griffith (Lacy Fee)		*		o			x	o	x		1
"	(a) 2	"		Abandoned by Lacy after dropping casing in hole.									
"	3	"		Not drilled.									
"	(a) 4	"					*						2
"	(a) 5	"		*	o		x	o					3
"	(a) 6	"		o			*						4
"	(a) 7	"		*			x						5
"	(a) 8	"		Dry and abandoned.									
"	(a) 9	"		"	"	"							
"	(c) 10	"					*						6
"	(c) 11	"	o	o	*	*				o		o	7
"	(c) 12	"		*	o			*					8
"	(c) 13	"					*						9
"	(c) 14	"	o	o	o	o			o	*		o	10
"	(c) 1	Sykes					*						11
"	(c) 1	Schwarz-Ritcheson		*									12
"	(b) 1	Schwarz		Abandoned in July 1953 after water encroachment.									
	(b) 1	Johnson		"		" May	"		"	"		"	

(a) Drilled by Rogers Lacy before Lacy purchase
(b) Acquired after Lacy purchase.
(c) Drilled by Hydrocarbon Production.

* Sands producing now.
x Sands which produced and were abandoned in favor of re-completion.
o Sands possibly productive upon re-completion.

HYDROCARBON PRODUCTION COMPANY, INC.

Financial Report

For The Year Ended December 31, 1953

HYDROCARBON PRODUCTION COMPANY, INC.

Statement of Financial Condition

December 31, 1953

Assets

Current Assets:		
Cash	$ 154,788.00	
Accounts receivable	123,631.41	
Inventory - supplies	62,484.25	$ 340,903.66
Property, Leaseholds and Equipment - at cost	4,252,611.58	
Less reserve for depreciation and depletion	1,137,164.15	3,115,447.43
Special Deposits		1,000.26
Deferred Charges		4,204.67
		$3,461,556.02

Liabilities

Current Liabilities:		
5% notes payable - due within one year(note)	$ 354,667.59	
Accounts payable and accrued accounts	72,226.81	
Accounts payable - affiliated companies	12,359.71	$ 439,254.11
5% Notes Payable (note)		1,636,468.99
Share-owners' Investment:		
Capital Stock:		
Preferred - par value $100 per share: Dividend $5 per share per annum, non-cumulative to January 1, 1956, cumulative thereafter: Authorized, issued and outstanding - 12,000 shares	1,200,000.00	
Common - par value $1 per share: Authorized, issued and outstanding - 20,000 shares	20,000.00	
Earnings retained in the business	165,832.92	1,385,832.92
		$3,461,556.02

Note: The 5% notes payable are secured by Deed of Trust and are payable in monthly instalments including interest of $35,680 with contingent further monthly instalments based on income less special deductions; balance is due July 1, 1960. Payment of dividends (other than stock dividends) required written consent of holders of 5% notes payable.

HYDROCARBON PRODUCTION COMPANY, INC.

Statement of Earnings and of Earnings Retained in the Business

For the Year Ended December 31, 1953

Sales:		
Gas	$526,870.01	
Oil - distillate	369,781.23	$ 896,651.24
Operating expenses (exclusive of depreciation and depletion)	165,915.18	
General and administrative expenses	35,629.27	201,544.45
Operating profit (before provision for depreciation and depletion)		695,106.79
Other Income		392.87
		695,499.66
Other Charges:		
Interest on notes	113,016.82	
Dry hole contribution	2,000.00	
Sundry	20.64	115,037.46
Profit before provision for depreciation, depletion and loss on abandonment		580,462.20
Deduct:		
Depreciation	17,728.84	
Depletion	493,180.98	
Loss on abandonment of wells, lines and leases	61,160.36	572,070.18
Net earnings		8,392.02
Earnings retained in the business - balance, December 31, 1952		157,440.90
Earnings retained in the business - balance, December 31, 1953		$ 165,832.92

Note: No provision for United States taxes on income was made due to the carry-over of a net operating loss deduction and to the expensing for tax purposes, of intangible drilling costs, whereas such costs were capitalized in the accounting records.

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Form	Various types of investment material for George Bush and family (43 pp.)	1950-1954	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush - Personal File: Investments [1950-1954]

OA/ID Number

Date Closed 10/19/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]